

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

**STAFF CONFERENCE AGENDA
MAY 29, 2018**

COMMISSION STAFF

NO AGENDA ITEMS

PUBLIC STAFF

C. COMMUNICATIONS

P1. FILING OF INTERCONNECTION AGREEMENT AND AMENDMENTS BY AT&T

EXPLANATION: The following interconnection agreement and amendments were filed for Commission approval between March 7, 2018 and March 27, 2018 and on May 2, 2018:

BellSouth Telecommunications, LLC, d/b/a AT&T North Carolina (AT&T)

Docket No. P-55, Sub 1633 – Amendment filed on March 7, 2018, to an existing interconnection agreement with IDT America, Corp., which the Commission approved on June 6, 2006. The amendment implements changes pursuant to the *Connect America Fund et al.*, WC Docket No. 10-90 et al, Report and Order issued by the Federal Communications Commission (FCC) on November 18, 2011, in FCC 11-161, and as amended by the FCC on December 23, 2011, in FCC 11-189 (FCC ICC Reform Order). The intercarrier compensation rates reflected in the Pricing Sheet(s) in Exhibit B, are for the termination of all Section 251(b)(5) Traffic exchanged between the parties and supersede the existing rate elements for purposes of reciprocal compensation.

Docket No. P-55, Sub 1567 – Amendment filed on March 14, 2018, to an existing interconnection agreement with West Telecom Services, LLC, which the Commission approved on September 23, 2005. The amendment implements changes pursuant to the Lifeline and Link Up Reform and Modernization et al., WC Docket No. 11-42 et al., Second Report and Order, FCC 15-71, *Connect America Fund et al.*, WC Docket No. 10-90 et al, Report and Order, FCC 11-161, as amended by the FCC in FCC 11-189, and Petition of US Telecom for Forbearance et al., WC Docket No. 14-192. Additionally, the amendment modifies certain provisions related to

Customer Information Services (CIS), and reflects name change of Hypercube Telecom, LLC, to West Telecom Services, LLC.

The changes delete the rates for Lifeline and Link Up services that will no longer be available under this agreement. The intercarrier compensation rates reflected in the Pricing Sheet(s) in Exhibit C, are for the termination of all Section 251(b)(5) Traffic exchanged between the parties and supersede the existing rate elements for purposes of reciprocal compensation. The amendment deletes the rates, terms and conditions related to the unbundling of 64 kbps voice-grade channels in situations where a copper loop has been retired. The parties agree to delete the specified rates, terms and conditions related to Customer Information Services, and to add the and terms and conditions specified in Attachment 6 - Exhibit B, for Operator Services and Directory Assistance, at the rates reflected in the Pricing Sheet(s) in Exhibit C.

Docket No. P-55, Sub 1939 – Agreement with Spectrotel, Inc., filed on March 21, 2018, which, among other things, replaces the interconnection and intercarrier compensation portion of the agreement which the Commission approved in Docket No. P-55, Sub 1674, on December 21, 2006.

Docket No. P-55, Sub 1940 – Agreement with Spectrotel, Inc., filed on March 26, 2018, which, among other things, replaces the resale portion of the agreement which the Commission approved in Docket No. P-55, Sub 1674, on December 21, 2006.

Docket No. P-55, Sub 1889 – Amendment filed on March 27, 2018, to an existing interconnection agreement with Cebridge Telecom NC, LLC, which the Commission approved on September 17, 2013. The amendment implements changes pursuant to the Lifeline and Link Up Reform and Modernization et al., WC Docket No. 11-42 et al., Second Report and Order, FCC 15-71, and Petition of US Telecom for Forbearance et al., WC Docket No. 14-192. Language in the amendment modifies certain provisions of the agreement related to the termination of the agreement, modifies Customer Information Services (CIS) pursuant to WC Docket 16-13, approved March 15, 2016, and adds guidelines regarding notice by one party to the other party.

The changes delete the rates for Lifeline and Link Up services that will no longer be available under this agreement. The amendment deletes the rates, terms and conditions related to the unbundling of 64 kbps voice-grade channels in situations where a copper loop has been retired. The parties agree to delete the specified rates, terms and conditions related to Customer Information Services, and to add the and terms and conditions specified in Attachment 6 - Exhibit B, for Operator Services and Directory

Assistance, at the rates reflected in the Pricing Sheet(s) in Exhibit C. The parties have agreed to replace Section 20 of the agreement with new guidelines regarding notice by one party to the other party.

Docket No. P-55, Sub 1526 – Amendment filed on May 2, 2018, to an existing interconnection agreement with T-Mobile USA, Inc. (T-Mobile), which the Commission approved on August 23, 2004. The parties agree to replace Subpart B, Compensation of Facilities, under Section VI (Compensation and Billing), of the existing agreement. Subpart B addresses how the parties will share the recurring costs and handle the billing of two-way and one-way interconnection facilities that T-Mobile purchases from AT&T.

All of these filings were made in compliance with Commission Rule R17-4(d) and Sections 252(e) and 252(i) of the Telecommunications Act of 1996 (the Act). The Act provides for the filing of such agreements and amendments with the state commission and approval or rejection by the state commission within 90 days after filing. On June 18, 1996, the Commission issued an Order in Docket No. P-100, Sub 133, allowing interim operation under negotiated agreements filed as public records prior to Commission approval of the agreements.

The Public Staff has reviewed each of these filings and recommends Commission approval.

RECOMMENDATION: (Proffitt/Fennell) That orders be issued approving the agreement and amendments effective on the date they were filed. The Public Staff has provided copies of the proposed orders to the Commission's Legal Staff.

B. NATURAL GAS

P1. DOCKET NO. G-9, SUB 723 – APPLICATION OF PIEDMONT NATURAL GAS COMPANY, INC., FOR APPROVAL OF BI-ANNUAL ADJUSTMENT OF RATES UNDER APPENDIX E OF ITS SERVICE REGULATIONS

EXPLANATION: On November 23, 2015, in Docket No. G-9, Subs 631 and 642, the Commission approved a revised Integrity Management Rider (IMR) mechanism for Piedmont Natural Gas Company, Inc. (Piedmont or Company), which is Appendix E of Piedmont’s North Carolina Service Regulations (Revised IMR Mechanism). The Revised IMR Mechanism requires that Piedmont file with the Commission every October 31st and April 30th the computation of the Integrity Management Revenue Requirement (IMRR) that forms the basis for the bi-annual rate adjustment of the IMR. Piedmont is also required to file bi-annual adjustments to its rates every December 1st and June 1st based upon qualifying capital investments in integrity and safety projects as of October 31st and March 31st, respectively.

On May 1, 2018, Piedmont filed the computation for the IMRR bi-annual rate adjustment effective June 1, 2018, based on the Company’s Integrity Management (IM) Plant Investment through March 31, 2018. In addition, the Company proposed a true-up adjustment effective June 1, 2018, for the IM Deferred Account based on the actual account balance at March 31, 2018.

On May 15, 2018, Piedmont filed the schedule showing the computation of the IM rate adjustment for each rate schedule and the revised tariffs effective June 1, 2018.

The proposed IM rate adjustments, expressed in dollars per dekatherm (\$/dt), are as follows:

| Description | Residential Rate 101 | Small & Medium General | Firm Large General | Interruptible Large General |
|-------------------------------|-----------------------------|-----------------------------------|--------------------------------------|------------------------------------|
| | | Rate 102, 142, 152 | Rate 103, 113, 12, T-10, T-12 | Rate 104, 114 |
| Rate Class Percentage | 64.64% | 29.43% | 2.67% | 3.26% |
| IMRR | \$46,080,840 | \$20,980,184 | \$1,903,401 | \$2,324,003 |
| IM Deferred Account Balance | <u>(\$6,522,796)</u> | <u>(\$2,969,769)</u> | <u>(\$269,429)</u> | <u>(\$328,965)</u> |
| Total Amount for recovery | \$39,558,044 | \$18,010,415 | \$1,633,972 | \$1,995,038 |
| Rate Case Volumes (dts) | 36,504,751 | 27,448,263 | 30,188,509 | 34,669,378 |
| IM Increment per dt | \$1.0836 | \$0.6562 | \$0.0541 | \$0.0575 |
| Remove Previous Increment | (\$1.5270) | (\$0.9246) | (\$0.0763) | (\$0.0811) |
| Change in IM Increment per dt | (\$0.4434) | (\$0.2684) | (\$0.0222) | (\$0.0236) |

The Public Staff has reviewed the proposed IM rate adjustments and recommends approval as filed.

EXHIBIT: A proposed order is attached as Exhibit No. P-1.

RECOMMENDATION: (Gilbert/Perry) That the Commission issue the proposed order approving the rate adjustments proposed by Piedmont.

P2. DOCKET NO. G-9, SUB 724 – APPLICATION OF PIEDMONT NATURAL GAS COMPANY, INC., FOR AN ADJUSTMENT OF ITS RATES AND CHARGES TO TRACK CHANGES IN ITS WHOLESALE COSTS OF GAS

EXPLANATION: On May 15, 2018, Piedmont Natural Gas Company, Inc. (Piedmont), filed an application pursuant to G.S. 62-133.4, Commission Rule R1-17(k)(3), and Appendix A of Piedmont's North Carolina Service Regulations, seeking authority to increase its sales rates by \$0.2548 per dekatherm (dt) and its transportation rates by \$0.0048 per dt effective June 1, 2018. The increase is a result of a change in its Benchmark Cost of Gas from the current rate of \$2.50 per dt to \$2.75 per dt.

The Public Staff has reviewed the proposed rate adjustments and recommends approval as filed.

EXHIBIT: A proposed order is attached as Exhibit No. P-2.

RECOMMENDATION: (Naba) That the Commission issue the proposed order approving the rate adjustments proposed by Piedmont.

D. ELECTRIC

P1. APPLICATIONS FOR CERTIFICATES OF PUBLIC CONVENIENCE AND NECESSITY TO CONSTRUCT SOLAR FACILITIES

EXPLANATION: The following applications seeking certificates of public convenience and necessity pursuant to G.S. 62-110.1 for construction of solar photovoltaic electric generating facilities were filed pursuant to Commission Rule R8-64.

Duke Energy Carolinas:

- Docket No. SP-8996, Sub 0 – Application of Thinking Tree Solar, LLC, for a Certificate of Public Convenience and Necessity to Construct a 35-MW Solar Photovoltaic Facility in Alexander County, North Carolina

Dominion Energy North Carolina:

- Docket No. SP-4655, Sub 0 – Application of Windsor Hwy 17 Solar, LLC, for an Amended Certificate of Public Convenience and Necessity to Construct a 5-MW Solar Photovoltaic Facility in Bertie County, North Carolina (no registration statement)

The Public Staff has reviewed the applications and determined that they comply with the requirements of G.S. 62-110.1 and Commission Rule R8-64.

Unless otherwise indicated above, the applicants also filed registration statements for new renewable energy facilities pursuant to Commission Rule R8-66(b). The registration statements included certified attestations that: (1) the facility is in substantial compliance with all federal and state laws, regulations, and rules for the protection of the environment and conservation of natural resources; (2) the facility will be operated as a new renewable energy facility; (3) the applicant will not remarket or otherwise resell any renewable energy certificates sold to an electric power supplier to comply with G.S. 62-133.8; and (4) the applicant will consent to the auditing of books and records by the Public Staff insofar as those records relate to transactions with North Carolina electric power suppliers.

RECOMMENDATION: (T. Williamson/D. Williamson) That the Commission issue orders approving the applications and issuing the requested certificates. Proposed orders have been provided to the Commission Staff.

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. G-9, SUB 723

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of
Application of Piedmont Natural Gas) ORDER APPROVING RATE
Company, Inc., for Approval of Bi-Annual) ADJUSTMENTS EFFECTIVE
Adjustment of Rates Under Appendix E of its) JUNE 1, 2018
Service Regulations)

BY THE COMMISSION: On November 23, 2015, in Docket No. G-9, Subs 631 and 642, the Commission approved a revised Integrity Management Rider (IMR) mechanism for Piedmont Natural Gas Company, Inc. (Piedmont or Company), which is Appendix E of Piedmont’s North Carolina Service Regulations (Revised IMR Mechanism). The Revised IMR Mechanism requires that Piedmont file with the Commission every October 31st and April 30th the computation of the Integrity Management Revenue Requirement (IMRR) that forms the basis for the bi-annual rate adjustment of the IMR. Piedmont is also required to file bi-annual adjustments to its rates every December 1st and June 1st based upon qualifying capital investments in integrity and safety projects as of October 31st and March 31st, respectively.

On May 1, 2018, Piedmont filed the computation for the IMRR bi-annual rate adjustment effective June 1, 2018, based on the Company’s Integrity Management (IM) Plant Investment through March 31, 2018. In addition, the Company proposed a true-up adjustment effective June 1, 2018, for the IM Deferred Account based on the actual account balance at March 31, 2018.

On May 15, 2018, Piedmont filed the schedule showing the computation of the IM rate adjustment for each rate schedule and the revised tariffs effective June 1, 2018.

The proposed IM rate adjustments, expressed in dollars per dekatherm (\$/dt), are as follows:

| Description | Residential Rate 101 | Small & | Firm | Interruptible Large General Rate 104, 114 |
|-------------------------------|-------------------------|---|---|---|
| | | Medium General Rate 102, 142, 152 | Large General Rate 103, 113, 12, T-10, T-12 | |
| Rate Class Percentage | 64.64% | 29.43% | 2.67% | 3.26% |
| IMRR | \$46,080,840 | \$20,980,184 | \$1,903,401 | \$2,324,003 |
| IM Deferred Account Balance | <u>(\$6,522,796)</u> | <u>(\$2,969,769)</u> | <u>(\$269,429)</u> | <u>(\$328,965)</u> |
| Total Amount for recovery | \$39,558,044 | \$18,010,415 | \$1,633,972 | \$1,995,038 |
| Rate Case Volumes (dts) | 36,504,751 | 27,448,263 | 30,188,509 | 34,669,378 |
| IM Increment per dt | \$1.0836 | \$0.6562 | \$0.0541 | \$0.0575 |
| Remove Previous Increment | (\$1.5270) | (\$0.9246) | (\$0.0763) | (\$0.0811) |
| Change in IM Increment per dt | (\$0.4434) | (\$0.2684) | (\$0.0222) | (\$0.0236) |

The Public Staff presented this matter to the Commission at its May 29, 2018, Regular Staff Conference. The Public Staff stated it had reviewed the application and recommended approval as filed.

Based upon the review of the application and the recommendation of the Public Staff, the Commission is of the opinion that the proposed rate changes should be allowed to become effective as filed.

IT IS, THEREFORE, ORDERED as follows:

1. That Piedmont is authorized to implement the proposed IM rate adjustments as contained in the body of this Order, including its IM Deferred Account balance as of March 31, 2018, effective for service rendered on and after June 1, 2018.
2. That Piedmont shall file revised tariffs consistent with Ordering Paragraph 1 within five (5) days of the date of this Order.
3. That Piedmont shall give notice to its customers of the rate changes authorized by this Order.

ISSUED BY ORDER OF THE COMMISSION.

This the ____ day of _____, 2018.

NORTH CAROLINA UTILITIES COMMISSION

M. Lynn Jarvis, Chief Clerk

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. G-9, SUB 724

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

| | |
|--|---|
| In the Matter of | |
| Application of Piedmont Natural Gas Company, Inc., for an Adjustment of its Rates and Charges to Track Changes in its Wholesale Costs of Gas |) ORDER APPROVING RATE ADJUSTMENTS EFFECTIVE JUNE 1, 2018 |

BY THE COMMISSION: On May 15, 2018, Piedmont Natural Gas Company, Inc. (Piedmont), filed an application pursuant to G.S. 62-133.4, Commission Rule R1-17(k)(3), and Appendix A of Piedmont’s North Carolina Service Regulations, seeking authority to increase its sales rates by \$0.2548 per dekatherm (dt) and its transportation rates by \$0.0048 per dt effective June 1, 2018. The increase is a result of a change in its Benchmark Cost of Gas from the current rate of \$2.50 per dt to \$2.75 per dt.

The Public Staff presented this matter to the Commission at its May 29, 2018, Regular Staff Conference. The Public Staff stated it had reviewed the application and recommended approval as filed.

Based upon the review of the application and the recommendation of the Public Staff, the Commission is of the opinion that the proposed rate changes should be allowed to become effective as filed.

IT IS, THEREFORE, ORDERED as follows:

1. That Piedmont is authorized to increase its sales rates by \$0.2548 per dt effective for service rendered on and after June 1, 2018.
2. That Piedmont is authorized to increase its transportation rates by \$0.0048 per dt effective for service rendered on and after June 1, 2018.
3. That Piedmont shall file revised tariffs consistent with Ordering Paragraphs 1 and 2 within five (5) days of the date of this Order.
4. That Piedmont shall give notice to its customers of the rate changes authorized by this Order.

ISSUED BY ORDER OF THE COMMISSION.

This the ____ day of _____, 2018.

NORTH CAROLINA UTILITIES COMMISSION

M. Lynn Jarvis, Chief Clerk